

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF VIRGINIA

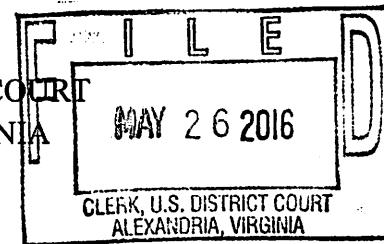
Alexandria Division

UNITED STATES OF AMERICA

v.

PRAEPITCHA SMATSORABUDH,
a/k/a, "Prim,"

Defendant



Case No. 16-MJ-234

**AFFIDAVIT IN SUPPORT OF
CRIMINAL COMPLAINT AND ARREST WARRANT**

I, William F. Corcoran, being duly sworn, hereby state as follows:

1. I am a Special Agent with Homeland Security Investigations ("HSI"), United States Department of Homeland Security, and have been so employed since May 2002. As a Special Agent with the HSI, I am authorized to investigate crimes involving violations of federal law, including 18 U.S.C. §§ 1343 (Wire Fraud). I am assigned to the Commercial Fraud, Intellectual Property Rights group at Dulles Airport, in Dulles, Virginia.
2. I am a graduate of the Federal Law Enforcement Training Center (FLETC) in Glynco, GA. At FLETC, I was trained in, among other things, criminal investigative techniques, and commercial fraud and intellectual property rights investigations. While working for HSI, I have conducted and participated in investigations of violations of federal law including the trafficking in counterfeit goods. I am empowered by law to investigate and make arrests of federal law, including trafficking in counterfeit goods, smuggling, and money laundering.
3. I am participating in an investigation of Praepitcha SMATSORABUDH ("SMATSORABUDH") for Wire Fraud, in violation of 18 U.S.C. 1343.

4. The facts and information contained in this affidavit are based upon my training and experience, participation in this and other investigations, personal knowledge, and observations during the course of this investigation, as well as the observations of other special agents and individuals involved in this investigation. All observations not personally made by me were related to me by the individuals who made them or were conveyed to me by my review of the records, documents, and other physical evidence obtained during the course of the investigation. This affidavit is only meant to contain information necessary to support probable cause for the requested criminal complaint and arrest warrant and is not intended to include each and every fact observed by me or known to the government.

SUMMARY OF PROBABLE CAUSE

Overview of Fraudulent Scheme

5. Law enforcement is investigating SMATSORABUDH for devising and executing a scheme to defraud several major department stores. This affidavit will focus on one department store in particular, referred to generically as "Department Store 1," which appears to be SMATSORABUDH's most frequent victim. The scheme works like this: SMATSORABUDH purchases authentic high-end handbags from various department stores. She then returns counterfeit replicas of the bags for a refund of the purchase price. Finally, she sells the authentic versions online, typically using her eBay and Instagram accounts. I believe that SMATSORABUDH is importing the counterfeit hand-bags from China and Hong Kong. I have confirmed SMATSORABUDH's identity by comparing known photos of her from her Immigration files and visa applications to several

surveillance photos taken of SMATSORABUDH returning counterfeit handbags at Department Store 1.

6. Fraud investigators employed by Department Store 1 have informed law enforcement that SMATSORABUDH has traveled to at least twelve different States to make returns of high-end handbags at various Department Store 1 locations. Department Store 1 has confirmed that several of the returned bags are counterfeit and do not match the bags that were originally purchased. According to Department Store 1, SMATSORABUDH was at one point its top online customer in the world, making several purchases of authentic high end purses online each week. SMATSORABUDH's purchases on average are valued at approximately \$2,000 USD. Department Store 1 reported that, since May 2014, SMATSORABUDH has sought and received over \$1,000,000 in refunds from Department Store 1.

Example of SMATSORABUDH's Execution of the Fraudulent Scheme

7. According to records provided by Department Store 1, on October 25, 2015, an online purchase (transaction 1068) of a CELINE Ring Bag, in ruby red, was made via Department Store 1's website. The purchaser provided the email address pinchanuth@hotmail.com, which Microsoft has confirmed was registered to SMATSORABUDH. The purse was shipped to a residence on S. Greenbrier St. in Arlington, VA ("SMATSORABUDH's RESIDENCE") and addressed to Praepitcha SMATSORABUDH.

8. I have reviewed surveillance photos provided by Department Store 1 showing that on November 7, 2015, SMATSORABUDH entered a Department Store 1 location in Needham, MA. SMATSORABUDH presented the receipt from the October 25, 2015

online purchase described in paragraph 7 above. However, according to Department Store 1, the receipt had been altered so that SMATSORABUDH could present a dark blue FENDI hand bag for return. SMATSORABUDH received \$2199.99USD in return for the FENDI bag.

9. On December 9, 2015, your affiant located a CELINE Ring Bag, in ruby red, similar to the one purchased on October 25, 2015 as described in 7 above, on the eBay auction site. The purse was listed for sale by "LOUKPEACH," which eBay has confirmed is a user name registered to SMATSORABUDH. The purse was eBay item number 181930995015, and was listed for sale on eBay on November 13, 2015.
10. On December 11, 2015, an HSI Undercover Agent (UCA) utilized the internet auction website eBay to locate item number 181930995015, referenced in the paragraph above. The UCA then purchased the item. SMATSORABUDH required the UCA to utilize the internet payment processing site PayPal in order to pay \$2575.00USD for the purse. The UCA received a receipt for the purchase via email sent through PayPal. The seller is listed as Praepitcha SMATSORABUDH with an email address of pichanuth@hotmail.com, the same email address referenced in paragraph 7 above.
11. On December 13, 2015, the UCA received an electronic message through eBay from "LOUKPEACH." The message stated that the package will be shipped via FedEx and provided a tracking number. The FedEx website tracking of that package showed that it was picked up by FedEx in Falls Church, VA on December 14, 2015, and delivered to the UCA in Leesburg, VA on December 16, 2015. Both of these locations are within the Eastern District of Virginia, as is SMATSORABUDH's RESIDENCE.

12. The FedEx package was retrieved by your affiant on December 16, 2015. The return address listed on the package was "PRIM SMATS" a known alias of SMATSORABUDH, at SMATSORABUDH'S RESIDENCE. The purse was detained as evidence by HSI.
13. On January 8, 2016, a Department Store 1 National Task Force Investigator examined the CELINE purse purchased by the UCA. Based on the tag attached to the bag, the investigator was able to verify the purse as authentic Department Store 1 merchandise. This purse was similar in size, shape, color and style to the purse SMATSORABUDH purchased online on October 25, 2015, as described in paragraph 7 above.

Evidence of Importation of Counterfeit Bags to SMATSORABUDH'S RESIDENCE

14. I believe that SMATSORABUDH is importing the counterfeit bags from Hong Kong and China and receiving them at SMATSORABUDH'S RESIDENCE based in part on the following information.
15. A review of a database maintained by U.S. Customs and Border Protection revealed that, between October 2014 and November 2015, approximately thirty-two inbound express shipments from Hong Kong were addressed to SMATSORABUDH and delivered to her residence at the SMATSORABUDH'S RESIDENCE. Twenty-nine of those shipments were manifested as "bags, totes, or shopping bags."
16. On three separate occasions in September 2015, packages addressed to "Prim SMATS," a known alias of SMATSORABUDH, at SMATSORABUDH'S RESIDENCE, were searched at the U.S. Postal Service hub at John F. Kennedy International Airport in New York. These packages originated in China and were found to contain several handbags all of which are believed to be counterfeit. On October 2015, four additional shipments were

addressed to SMATSORABUDH and delivered to her work address in Fort Washington, Maryland. Those shipments were manifested as "totes" and also originated in Hong Kong.

17. During the month of December, 2015, the logistics company DHL delivered approximately ten packages to SMATSORABUDH'S RESIDENCE. Many of the packages originated in Hong Kong, while some of them originated in China. The packages were manifested as "TOTES" or something similar. For example, the packages received in December 2015 are as follows:

- a. December 7, 2015 DHL tracking 3896025851, from Hong Kong, "Loat"
- b. December 7, 2015 DHL tracking 367802485, from Hong Kong, "SHOES"
- c. December 9, 2015 DHL tracking 9551921982, from Hong Kong "TOTES"
- d. December 14, 2015, DHL tracking 6468273630, from China "TOTES"
- e. December 17, 2015, DHL tracking 7505355922, from China "TOTES"
- f. December 21, 2015, DHL tracking 4444903061, from China "PVC TOTES"
- g. December 24, 2015, DHL tracking 2347056272, from China "TOTES"
- h. December 24, 2015, DHL tracking 5773188735, from China, "TOTES"
- i. December 30, 2015, DHL tracking, 2372426070, from Hong Kong "TOTES"

18. Each package was signed for by the concierge for the building. Detective John Bamford of Arlington County Police Department interviewed the concierge who confirmed that the building keeps a log of all packages delivered. The residents are asked to sign the log when they retrieve the packages. The concierge provided Det. Bamford with copies of the logs. SMATRSORABUDH's signature appears by each package on the log. The concierge further stated that he was responsible for conducting annual inspections of the units in the

building and observed that the SUBJECT PREMISES was sparsely furnished and littered with purses. Also located in the lobby at the time of Detective Bamford's visit were seven packages addressed to SMATSORABUDH from Department Store 1 online.

19. On December 10, 2015, Detective Bamford was provided a copy of the Resident Registration Form for the SUBJECT PREMISES. Listed as the resident is Prim SMATSORABUDH. SMATSORABUDH provided the email address pichanuth@hotmail.com (same email address as used to purchase the bag described in paragraph 7 above). Also provided was another resident Faria Tariq. Det. Bamford confirmed with the concierge that Tariq is not a resident of the unit and that SMATSORABUDH lives alone.

Search of SMATSORABUDH's Email Account

20. Pursuant to a search warrant, Microsoft provided the contents of two email accounts used by SMATSORABUDH. A review of those email accounts reveals several emails between SMATSORABUDH and individuals in China regarding the sale of counterfeit purses.

21. For instance, on June 30, 2014, SMATSORABUDH using the email account pichanuth@hotmail.com, sent an email to "Bella" at bestreplicahandbags2@gmail.com and stated the following: "I am sure you know how easy it is to fine Chinese factories who sell replica bags like yours on instagram and website."

22. On August 26, 2014, SMATSORABUDH using pichanuth@hotmail.com, sent an email to "Bella" at bestreplicabags1@gmail.com with a subject line of "new order." In the body of the email, SMATSORABUDH tells Bella, "[y]es it looks like the real Chanel when you look from very far. But when you touch the leather. You can tell it's fake bag."

SMATSORABUDH further stated, “[t]rust me now I am looking for other Chinese seller that sell better quality bag than you.”

23. On September 17, 2014, SMATSORABUDH, using Praepitcha@live.com, sent an email to Wendy ZHANG at junxinyongheng@gmail.com. In the body of the email, SMATSORABUDH states the following, “The best fake bag ive ever seen! Can you send me more color from this factory. They make bag IMPaCABLE!!!!”
24. On June 27, 2015, SMATSORABUDH using the email account pichanuth@hotmail.com, sent an email to “Aly” at whitegirlsun@foxmail.com. The subject of the email was Order 36. In the body of the email, SMATSORABUDH stated the following, “Aly I just got the two black and white celine! It is terribly FAKe dont send me celine from this factory again or I will stop buying from you.”

SEARCH OF SMATSORABUDH's RESIDENCE

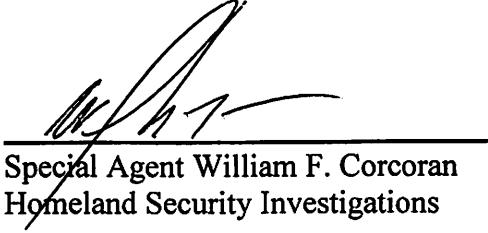
25. On March 2, 2016, a search warrant was executed at SMATSORABUDH'S RESIDENCE. During the search warrant approximately 572 handbags were recovered. Your affiant took photographs of a random sampling of handbags from several brands and sent them to the trademark representatives to determine the authenticity of the handbags. The brands that have responded as of this writing are, GUCCI, which was determined to be counterfeit, BURBERRY, which was determined to be authentic, LONGCHAMP, which was determined to be authentic, BALENCIAGA, determined to be counterfeit, GIVENCHY, determined to be counterfeit, and CELINE, also determined to be counterfeit.
26. On April 12, 2016, a DVD containing photographs of sixty nine (69) purses containing the Balenciaga trademark were sent via FedEx to Davis Wright Tremaine LLP, the U.S.

representative for the Balenciaga company. The DVD contained two (2) files. One file was photographs of purses that were seized from the residence of SMATSORABUDH pursuant to a search warrant. The second file was photographs of purses that were returned to various Department Store 1 locations across the country by SMATSORABUDH. The residence purses were labeled numerically 1-49. There were approximately 10-20 photos taken of each handbag.

27. On May 8, 2016, Davis Wright Tremaine LLP responded that according to their client, Balenciaga, three (3) handbags from the residence were confirmed counterfeit, and all twenty (20) handbags that were returned to Department Store 1 were counterfeit.
28. On May 25, 2016, Kenneth Klug, Director of Louis Vuitton's Intellectual Property Department, personally reviewed several handbags of each trademark his company represents. Mr. Klug viewed four boxes of purses which were obtained from the search warrant executed on SMATSORABUDH'S residence. Of the four boxes, three of them contained at least one counterfeit hand bag, the remainder being genuine. Mr. Klug also reviewed the contents of two boxes of handbags that were turned over to HSI by Department Store 1. Each of the handbags provided by Department Store 1 were determined to be counterfeit by Mr. Klug.

CONCLUSION

29. Based on the foregoing information, I submit that there is probable cause to believe that SMATSORABUDH has engaged in the fraudulent scheme discussed in this affidavit, in violation of 18 U.S.C. § 1343 (wire fraud). Accordingly, I respectfully request that the Court authorized the requested criminal complaint and arrest warrant.


Special Agent William F. Corcoran
Homeland Security Investigations

Subscribed to and sworn before me on this 26 day of May 2016.

/s/ 
Michael S. Nachmanoff
United States Magistrate Judge

Michael S. Nachmanoff
United States Magistrate Judge